



March 16, 2009

VIA e-mail to: rule-comments@sec.gov

Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

File: No. S7-27-08 -- Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers

Kohl's Corporation has reviewed the Commission's proposed roadmap (the "Roadmap") for the potential use of financial statements prepared in accordance with international financial reporting standards (IFRS) by U.S. issuers, and we submit this letter of comments on the Roadmap.

- We are concerned that IFRS would require us to switch from the retail inventory method (RIM) to the cost method due to the impact from permanent markdowns in calculating ending inventory. This switch would result in significant system and process conversion costs as this process touches so many key retail systems. There would be no value added from a profitability and efficiency perspective from these expenditures.
- IFRS would require significant changes to IT systems; particularly those for inventory and PP&E (Property, Plant and Equipment). More time is needed to make these changes, particularly given the current economy. As companies are focusing on efficiency and cost savings it is a challenging time to implement a new project, such as the conversion to IFRS.
- As we have no operations outside of the United States, there would be little benefit of converting to IFRS, only costs. U.S. companies without foreign operations should have greater latitude in deciding when and if to convert.
- Accounting staffs are well versed in U.S. GAAP and will need to dedicate time for education on IFRS. We are concerned that there is not adequate time or resources for this training. Who will lead the training? Colleges and universities aren't yet fully up to speed on IFRS and while the accounting firms have the knowledge, they have only limited resources.

- Under the current proposal, 2011 is the date for final determination on the implementation timeline. Companies need more lead time, as they would need to begin parallel reporting using both U.S. GAAP and IFRS at the start of 2012 if it is required that U.S. issuers begin using IFRS in 2014.
- Our preference is to let convergence evolve, such is currently the case with the joint efforts of the FASB and IASB, rather than establishing a strict roadmap for IFRS. There are significant differences between U.S. GAAP and IFRS that will need to be worked out in due time. Not least is the concern that the principles-based IFRS is incomplete when compared to the rules-based U.S. GAAP. The U.S. GAAP guidance is relied upon by issuers and auditors and helps ensure consistency across industries and markets.
- Confusion is widespread in the marketplace as companies try to discern the SEC's timeline and sense of urgency with respect to IFRS, particularly given the change in Administration. According to a survey by the Controllers' Leadership Roundtable, 71% of companies are slowing their implementation efforts due to regulatory uncertainty and the economic crisis. In light of comments made by Mary Schapiro and Staff members, we respectfully ask the SEC to be clearer about any changes that might be made to the roadmap and timing of convergence so that company resources can be strategically deployed.
- A fast conversion to IFRS also presents many potential income tax accounting challenges. Today, the differences between U.S. GAAP and Internal Revenue Service (IRS) rules are well known and understood. Since the IRS is unlikely to change its requirements if IFRS were to be adopted, there would be a whole new set of income tax differences between IFRS and IRS requirements to be understood.

Given the challenges that the retail industry is facing in light of the economic environment, we feel it is in our best interest to focus our efforts on shareholder value, cost savings, and business efficiency. It is for these reasons that we ask the Commission to suspend the proposed roadmap and let the FASB and IASB continue to work towards convergence over time.

We appreciate the opportunity to present our views on this very important topic.

Sincerely,



Brian F. Miller

Senior Vice President, Corporate Governance